

MONTEREY COUNTY ECONOMIC FORECAST

Monterey County is located on the central coast of California. Farming is a vital component of the county's economy, accounting for over \$4 billion in total output and approximately 29 percent of all wage and salary jobs. Lettuce is the principal crop in the region, with Monterey County producing roughly half of all lettuce in the United States. In addition, Monterey is one of California's leading producers of strawberries.

Monterey County has a population of 425,400 people and a total of 183,200 wage and salary jobs. The income per capita is \$48,707 and the average salary per worker is \$54,938.

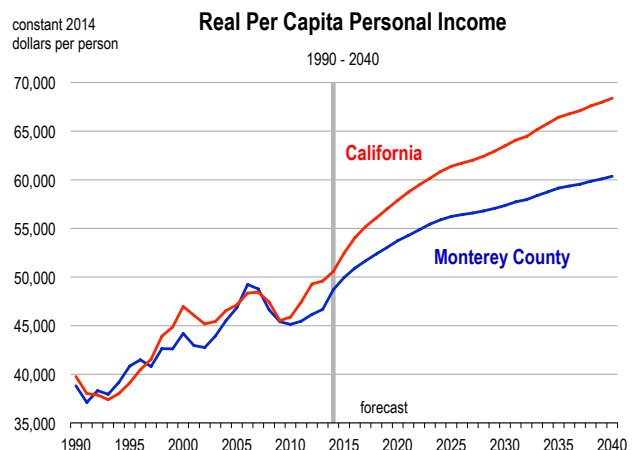
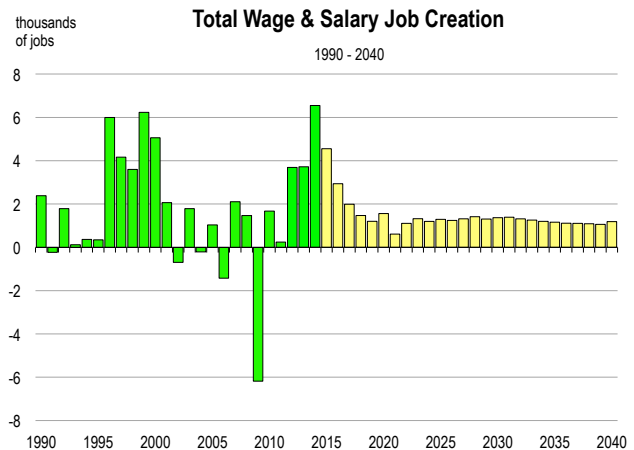
In 2014, a total of 6,600 wage and salary jobs were created in Monterey County, representing an increase of 3.7 percent. Farm employment increased by 4.8 percent, whereas nonfarm employment grew by 3.3 percent. The unemployment rate also improved, falling from 10.4 percent in 2013 to 9.2 percent in 2014.

During 2014, the largest job gains occurred in agriculture (+2,400 jobs), professional and business services (+1,200 jobs), leisure and hospitality (+1,100 jobs), and education and healthcare (+1,000 jobs). The largest declines were observed in information (-130 jobs).

Between 2009 and 2014, the population of Monterey County grew at an average rate of 0.6 percent per year. All of this growth can be attributed to the natural increase (new births), as the county lost an average of 1,900 people per year through net migration.

FORECAST HIGHLIGHTS

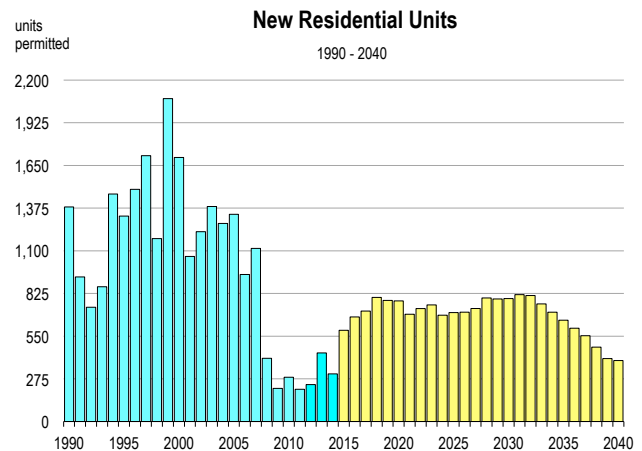
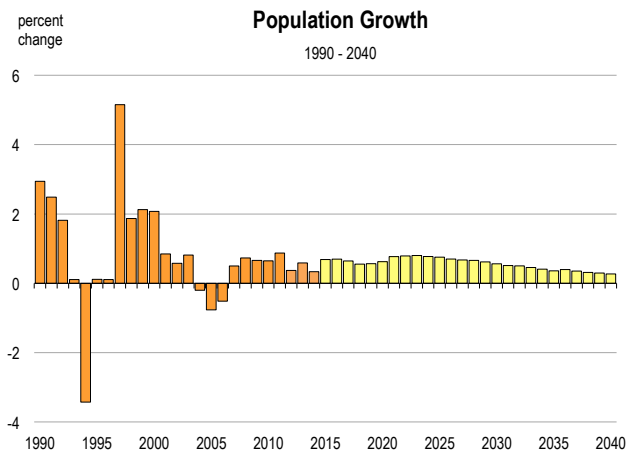
- Total employment is expected to increase by 2.5 percent in 2015. Between 2015 and 2020, growth will average 1.0 percent per year. During the same period, agricultural employment will increase by an average of 0.3 percent per year.
- Average salaries are currently below the California state average, and will remain so over the forecast period. In Monterey County, inflation-adjusted salaries are expected to rise by an average of 0.4 percent per year between 2015 and 2020.
- Between 2015 and 2020, the largest employment gains will be observed in education and healthcare (+1,700 jobs), professional and business services (+1,300 jobs), government (+1,200 jobs), leisure and hospitality (+1,000 jobs), and wholesale and retail trade (+800 jobs). Together, these sectors will account for 66 percent of net job creation in the county.
- Over the 2015-2020 period, annual population growth is expected to average 0.6 percent per year.
- Over the 2015-2020 period, total net migration will be negative, with an average of 960 net migrants leaving the county each year.
- Real income per capita is expected to rise by 2.6 percent in 2015. Between 2015 and 2020, real income per capita is forecasted to increase by 1.5 percent per year.
- Total taxable sales, adjusted for inflation, will rise by an average of 1.2 percent per year from 2015 to 2020.
- Industrial production is forecasted to increase by 3.8 percent in 2015. From 2015 to 2020, the growth rate of industrial production will average 3.5 percent per year.
- Farm production is expected to increase by 1.5 percent per year between 2015 and 2020. The principal crops in the county are lettuce and strawberries.



Monterey County Economic Forecast

2006-2014 History, 2015-2040 Forecast

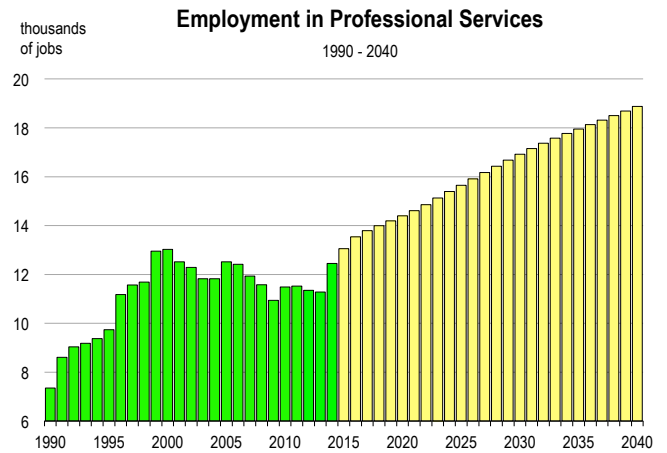
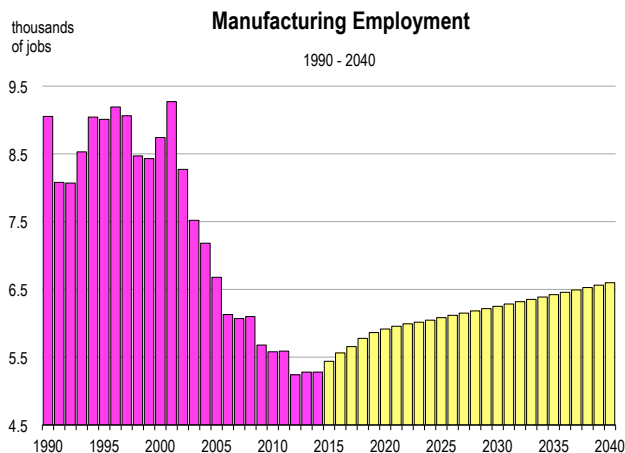
	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (billions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	405,877	-7,135	348	123	948	\$5.7	\$16.6	\$49,236	3.2	4.21	1.86	7.0
2007	407,896	-3,230	349	123	1,116	\$5.7	\$17.1	\$48,773	3.4	4.46	1.92	7.2
2008	410,877	-2,425	349	124	408	\$5.4	\$16.9	\$46,633	2.9	4.33	2.10	8.5
2009	413,590	-2,301	349	124	213	\$4.7	\$16.7	\$45,411	0.8	4.53	1.97	11.8
2010	416,265	-1,887	352	125	285	\$5.0	\$16.9	\$45,121	1.3	4.44	1.93	12.9
2011	419,905	-894	348	125	208	\$5.3	\$17.7	\$45,451	2.7	4.16	1.91	12.8
2012	421,465	-2,864	350	125	238	\$5.6	\$18.5	\$46,153	2.7	4.21	1.93	11.7
2013	423,943	-1,618	361	125	442	\$5.9	\$19.2	\$46,658	2.3	4.50	1.93	10.4
2014	425,365	-2,444	369	126	307	\$6.3	\$20.7	\$48,707	2.8	4.47	2.00	9.2
2015	428,284	-851	375	126	588	\$6.6	\$21.7	\$49,961	1.2	4.54	2.07	7.8
2016	431,271	-754	381	126	674	\$6.9	\$23.0	\$50,908	3.2	4.61	2.14	7.0
2017	434,052	-921	386	127	712	\$7.3	\$24.2	\$51,657	3.2	4.68	2.20	6.8
2018	436,455	-1,238	391	127	800	\$7.5	\$25.2	\$52,352	3.0	4.74	2.29	6.8
2019	438,927	-1,109	396	128	780	\$7.8	\$26.3	\$53,038	2.8	4.81	2.38	6.7
2020	441,667	-753	400	129	777	\$8.0	\$27.4	\$53,737	2.9	4.88	2.46	6.7
2021	445,069	20	404	129	691	\$8.3	\$28.6	\$54,275	3.0	4.94	2.54	6.8
2022	448,583	233	408	130	728	\$8.5	\$29.8	\$54,862	3.1	5.01	2.63	6.8
2023	452,181	416	411	130	751	\$8.8	\$31.0	\$55,430	2.7	5.07	2.72	6.8
2024	455,677	422	414	131	685	\$9.1	\$32.3	\$55,891	2.6	5.14	2.80	6.8
2025	459,115	473	417	131	702	\$9.4	\$33.7	\$56,244	2.8	5.20	2.89	6.8
2026	462,329	348	419	132	705	\$9.7	\$35.0	\$56,428	2.8	5.26	2.99	6.8
2027	465,444	336	422	132	728	\$10.0	\$36.3	\$56,574	2.8	5.32	3.09	6.8
2028	468,522	407	424	133	796	\$10.4	\$37.7	\$56,785	2.7	5.38	3.20	6.8
2029	471,416	316	427	134	790	\$10.7	\$39.1	\$57,047	2.5	5.44	3.32	6.9
2030	474,067	184	429	134	792	\$11.1	\$40.4	\$57,362	2.4	5.50	3.45	6.9
2031	476,498	68	431	135	817	\$11.5	\$41.8	\$57,719	2.3	5.56	3.57	6.9
2032	478,894	141	433	135	812	\$12.0	\$43.3	\$57,954	2.5	5.62	3.70	6.9
2033	481,077	16	435	136	758	\$12.4	\$44.7	\$58,377	2.1	5.67	3.84	6.9
2034	483,041	-90	437	137	704	\$12.9	\$46.2	\$58,763	2.3	5.73	3.98	6.9
2035	484,780	-213	439	137	653	\$13.4	\$47.8	\$59,152	2.4	5.79	4.12	6.9
2036	486,705	83	441	138	601	\$13.9	\$49.5	\$59,356	2.8	5.85	4.27	6.9
2037	488,424	-16	442	138	553	\$14.4	\$51.3	\$59,550	2.8	5.90	4.43	7.0
2038	489,959	-118	444	138	479	\$14.9	\$53.1	\$59,848	2.7	5.96	4.59	7.0
2039	491,412	-120	446	139	406	\$15.4	\$55.0	\$60,076	2.8	6.02	4.73	7.0
2040	492,740	-185	447	139	393	\$15.9	\$56.9	\$60,365	2.8	6.08	4.92	7.0

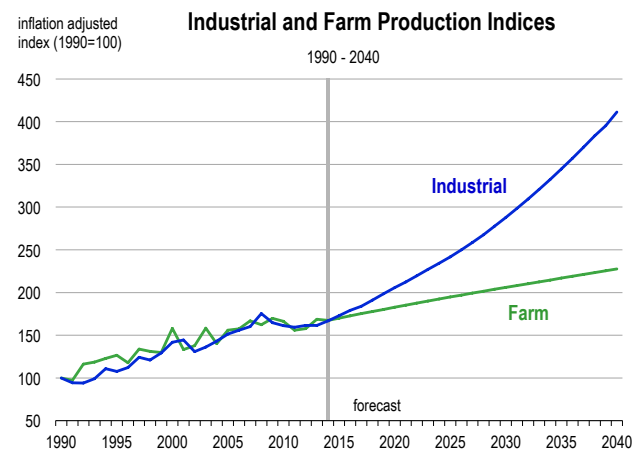
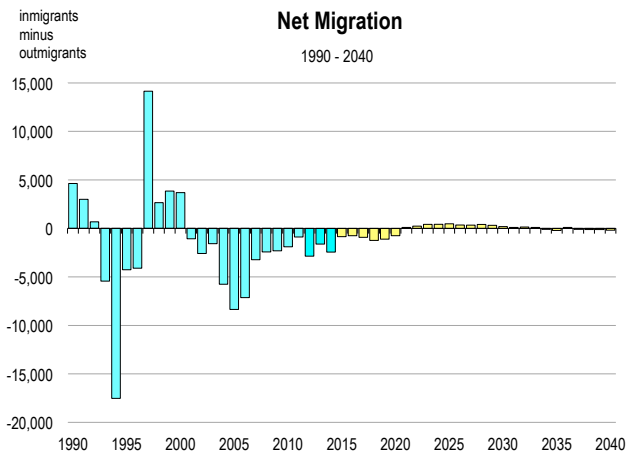
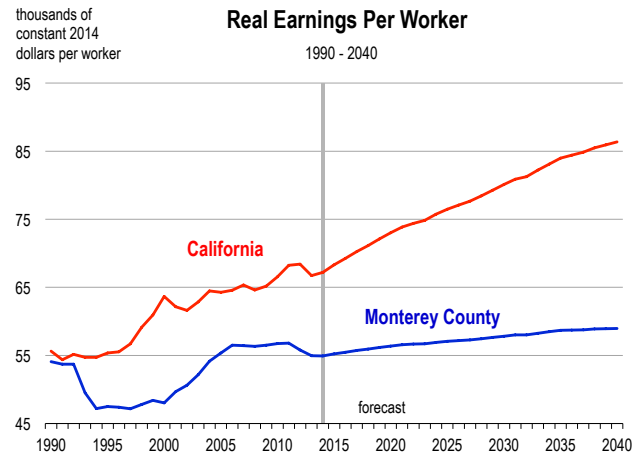
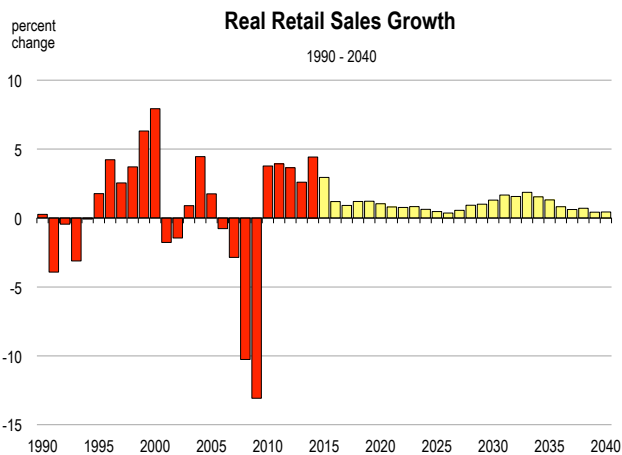


Monterey County Employment Forecast

2006-2014 History, 2015-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----											
2006	169.9	40.4	7.2	6.1	3.4	21.9	6.2	12.4	2.2	14.1	20.7	30.6
2007	172.0	41.6	7.0	6.1	3.6	22.0	6.0	11.9	2.1	14.4	21.1	31.5
2008	173.5	43.3	6.1	6.1	3.6	21.8	5.5	11.6	2.0	15.1	21.4	32.3
2009	167.3	42.8	4.6	5.7	3.4	20.0	4.7	10.9	1.7	15.8	20.3	32.6
2010	169.0	45.1	4.1	5.6	3.3	20.2	4.3	11.5	1.7	15.7	20.0	32.6
2011	169.2	46.3	3.8	5.6	3.4	20.6	4.1	11.5	1.6	15.6	20.2	31.7
2012	172.9	48.2	4.1	5.2	3.8	21.0	4.2	11.4	1.5	16.2	21.2	31.3
2013	176.6	50.1	4.5	5.3	4.0	21.3	4.0	11.3	1.5	17.5	21.9	30.2
2014	183.2	52.5	4.9	5.3	4.3	21.7	3.9	12.5	1.4	18.5	22.9	30.3
2015	187.7	53.7	5.3	5.4	4.2	22.1	3.9	13.1	1.5	18.9	23.5	30.9
2016	190.7	54.1	5.7	5.6	4.3	22.3	3.9	13.5	1.5	19.3	23.9	31.3
2017	192.7	54.4	5.8	5.7	4.3	22.4	3.9	13.8	1.5	19.6	24.2	31.5
2018	194.1	54.4	6.0	5.8	4.4	22.6	4.0	14.0	1.6	19.9	24.4	31.6
2019	195.3	54.5	6.0	5.9	4.4	22.7	4.0	14.2	1.6	20.2	24.5	31.6
2020	196.9	54.6	6.0	5.9	4.5	22.8	4.0	14.4	1.6	20.6	24.5	32.1
2021	197.5	54.6	5.9	6.0	4.5	22.9	4.1	14.6	1.7	21.0	24.6	31.9
2022	198.6	54.7	5.9	6.0	4.6	23.0	4.1	14.9	1.7	21.4	24.6	31.9
2023	199.9	55.0	6.0	6.0	4.6	23.1	4.1	15.1	1.7	21.8	24.6	31.9
2024	201.1	55.2	5.9	6.0	4.7	23.1	4.2	15.4	1.7	22.1	24.6	32.0
2025	202.4	55.5	5.9	6.1	4.7	23.2	4.3	15.6	1.8	22.4	24.7	32.1
2026	203.7	55.7	5.9	6.1	4.8	23.2	4.3	15.9	1.8	22.7	24.7	32.2
2027	205.0	56.0	5.9	6.2	4.9	23.3	4.4	16.2	1.8	23.1	24.8	32.3
2028	206.4	56.2	6.0	6.2	4.9	23.4	4.4	16.4	1.8	23.4	24.8	32.4
2029	207.7	56.5	6.0	6.2	5.0	23.5	4.4	16.7	1.9	23.7	25.0	32.5
2030	209.1	56.7	6.0	6.3	5.0	23.6	4.5	16.9	1.9	24.0	25.1	32.6
2031	210.5	57.0	6.1	6.3	5.1	23.7	4.5	17.2	1.9	24.3	25.2	32.7
2032	211.8	57.2	6.1	6.3	5.1	23.8	4.5	17.4	1.9	24.5	25.3	32.8
2033	213.0	57.4	6.0	6.4	5.2	23.9	4.6	17.6	2.0	24.8	25.5	32.9
2034	214.2	57.7	5.9	6.4	5.2	24.1	4.6	17.8	2.0	25.1	25.6	33.0
2035	215.4	57.9	5.8	6.4	5.3	24.2	4.7	18.0	2.0	25.4	25.7	33.1
2036	216.5	58.1	5.7	6.5	5.3	24.2	4.7	18.1	2.0	25.6	25.8	33.2
2037	217.6	58.4	5.7	6.5	5.4	24.3	4.7	18.3	2.1	25.9	26.0	33.3
2038	218.7	58.6	5.5	6.5	5.4	24.4	4.7	18.5	2.1	26.2	26.1	33.4
2039	219.8	58.9	5.4	6.6	5.5	24.4	4.8	18.7	2.1	26.5	26.2	33.5
2040	220.9	59.1	5.4	6.6	5.5	24.5	4.8	18.9	2.1	26.7	26.4	33.6





County Economic and Demographic Indicators

Projected Economic Growth (2015-2020)

Expected retail sales growth:	5.7%
Expected job growth:	4.9%
Fastest growing jobs sector:	Construction
Expected personal income growth:	10.9%

Expected population growth:	3.1%
Net migration to account for:	0%
Expected growth in number of vehicles:	6.8%

Demographics (2015)

Unemployment rate (March 2015):	10.2%
County rank* in California (58 counties):	44th
Working age (16-64) population:	64.3%

Population with B.A. or higher:	23.5%
Median home selling price (2014):	\$415,000
Median household income:	\$58,984

Quality of Life

Violent crime rate (2013):	420 per 100,000 persons
County rank* in California (58 counties):	35th
Average commute time to work (2015):	25.0 minutes

High School drop out rate (2014):	8.7%
Households at/below poverty line (2015):	13.4%

* The county ranked 1st corresponds to the lowest rate in California